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The Real Estate ANALYST

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WILL BUILDING COSTS INCREASE OR DECREASE IN THE PERIOD AHEAD?

WHETHER it is wise to build at the present time is partially dependent on future construction costs. If lower costs are in prospect, new building,which can be postponed, should be delayed to take advantage of the saving. On the other hand, if higher costs are probable, those expecting to build at any time during the next few years should take advantage of present cost levels.

No one can predict positively the immediate trends in building costs. We can say positively, however, that the factors which would tend to cause building costs to advance during the next few years seem far stronger at the present time than those which might bring about a fall. The long chart on pages 566 and 567 shows the fluctuations of general prices and of building material prices during the past one hundred and thirty-six years. On this chart the ups and downs of the average price of all commodities are shown by the heavy black line. The fluctuations of building material prices are shown by the light line. The dotted lines, where they occur, show prices in gold in periods when the United States had suspended gold payments and in the present period,revalued the dollar. The black areas at the bottom of the chart indicate the depression years.

There are three peculiarities about the behavior of building material prices which lead us to believe that the trend during the next few years is most apt to be up. These characteristics are:

(1) Building material prices have shown a constant tendency over the entire period to gain on general prices. Starting in 1800, our index was 59% below the index for general prices. This spread has shrunk constantly until the building material index passed the general price line and last year stood 32% above it. The small chart at the top of page 568 shows graphically this increase in building material prices in relationship to general prices. The line on this chart shows the relative amount of general commodities which has been necessary at any time in the past to purchase a fixed amount of building materials. It will be noticed that,if it took one hundred average units of general commodities to purchase one hundred average units of building materials in 1800, it took more than three hundred units of general commodities to purchase one hundred units of building materials in 1935.

There are many reasons for this upward trend in building material prices. The increase in the amount of freight which must be paid on lumber, which originally was cut in the neighborhood of its final use and which today, in a large percentage of cases, is shipped tremendous distances, is partially responsible. The relative failure of mass production

methods applied to the fabrication of houses in comparison with the scientific advances in many other lines must also carry its part of the blame. The fact, remains, however, that the upward trend has been quite definite.

(2) The second striking peculiarity which we find in building material prices is that, if the general price level advances, building materials also advance in price by at least as great a percentage in spite of the fact that there may not be any great amount of building at the time. This would indicate that building material prices are determined to a greater extent by the general purchasing power of money than they are by the supply of and demand for building materials. The rapid rise in building material costs in the early 1800's can be explained on no other basis. The rapid rises starting in 1837, in 1862, and in 1915 are all due to the rapid rise in the general price level, or,putting it in another fashion, the decrease in the purchasing power of the dollar.

We believe it is a safe assumption that,if general prices return to the 1926 level by 1938, building material prices in all probability will then be about 80% above the pre-war level in contrast with an increase of from 40% to 50% above pre-war for the general price level.

(3) It will be noticed at the right end of the chart that both general commodity prices and building material prices are still extremely low if measured in gold dollars of the pre-1933 value. We believe that much of the increase experienced so far in both general commodity prices and in building material prices is due to the revaluation in gold. We also believe that values in gold will increase materially as recovery gets further under way. This increase will be added to the increase we have already experienced, carrying the price levels beyond their 1926 plateau.

As we pointed out in the Analyst before, in addition to the increase which we expect over a period of years in building material prices, we believe that building labor cost will also advance. The long cessation of building has reduced the available number of skilled mechanics to the point where, as soon as building starts in any volume, a decided shortage will force up wage scales.

Other increases in the costs of completed buildings constructed

(continued on page 566)

VARIATIONS IN FARM VALUES FROM 1912 TO 1936

THE table on the page opposite shows the present average value of farms in any state as a percentage of their average value in any past year from 1912 on. This table can be used for determining whether any specific piece of agricultural property has fared better or worse than the average in its general locality. Suppose, for instance, that a farm in Iowa was purchased in 1917 for $6000, which represented at that time the average price of comparable properties. By consulting the table it will be found that in the 1917 column under "Iowa" a figure of "54" is shown. This means that, on the average, farms in Iowa today are worth 54% of their values in 1917. Since the farm in question was purchased in 1917 for $6000, if it has varied as the average properties in the state have varied, it should now be worth 54% of $6000 or $3240.

AVERAGE PRESENT VALUE OF FARMS BOUGHT IN YEARS FROM 1912 TO 1935

State	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Alabama	116	116	111	116	116	111	89	80	64	78	84	80	79	74	74	79	79	80	80	88	112	130	115	104	100
Arizona	99	94	90	97	99	90	75	67	57	64	70	76	73	78	75	76	77	76	76	76	90	104	104	103	100
Arkansas	94	91	91	97	84	71	62	54	41	49	53	54	58	58	60	61	63	63	65	78	88	115	107	105	100
California	128	120	110	107	103	92	88	84	71	71	72	72	73	73	73	74	74	74	74	75	90	109	108	104	100
Colorado	58	55	58	61	56	53	52	48	40	43	46	50	58	62	70	69	69	69	69	70	88	105	105	108	100
Connecticut	128	121	123	125	122	114	108	103	91	93	89	91	89	91	91	91	90	90	89	89	94	101	102	102	100
Delaware	84	83	85	84	80	73	68	65	60	65	71	71	78	75	74	76	76	76	76	78	88	105	105	102	100
Florida	132	128	121	131	123	117	101	89	71	72	81	82	78	74	57	69	72	73	74	77	90	105	101	101	100
Georgia	74	72	72	78	70	63	56	42	34	42	54	58	59	63	65	70	72	72	73	81	104	128	112	101	100
Idaho	83	82	84	86	84	73	64	57	48	51	61	62	64	68	70	71	72	72	72	73	86	109	108	104	100
Illinois	67	65	63	64	62	59	55	50	41	42	52	53	56	57	60	66	68	68	64	81	98	120	110	107	100
Indiana	68	66	64	65	60	57	52	49	41	45	55	57	61	65	69	76	79	80	83	92	110	124	118	107	100
Iowa	76	74	70	65	57	54	50	46	34	37	45	47	51	54	56	60	62	63	65	74	91	126	116	109	100
Kansas	74	76	76	73	69	65	61	57	50	50	58	59	64	65	66	66	66	66	66	73	84	107	104	102	100
Kentucky	92	89	86	89	80	70	61	52	44	52	59	61	63	64	64	66	68	69	70	77	92	111	110	102	100
Louisiana	105	102	105	108	98	93	73	66	53	64	74	72	76	74	73	77	79	79	79	86	101	117	108	101	100
Maine	95	93	97	99	97	86	83	77	67	72	75	74	75	77	75	77	77	78	77	77	85	101	101	101	100
Maryland	97	94	91	90	86	80	73	69	57	64	67	69	71	72	72	75	76	76	76	78	89	104	104	103	100
Massachusetts	113	111	109	113	111	101	97	93	79	83	83	84	85	84	83	85	85	85	85	85	93	99	99	100	100
Michigan	86	85	82	80	76	70	63	61	55	55	57	58	61	63	65	66	67	68	69	73	87	105	102	101	100
Minnesota	90	85	81	79	70	62	55	51	40	40	45	48	50	53	55	59	61	62	64	73	87	108	102	102	100
Mississippi	95	90	90	95	83	76	70	59	42	61	62	64	69	68	69	73	75	75	75	82	100	126	112	102	100
Missouri	62	60	58	59	56	52	48	44	36	38	45	47	51	54	58	61	63	63	65	76	90	109	105	103	100
Montana	55	53	51	53	56	53	50	46	42	50	55	61	65	71	74	76	75	74	74	76	91	110	110	106	100
Nebraska	74	73	72	72	70	66	58	50	41	44	51	53	57	59	59	61	62	63	65	69	89	106	101	101	100
Nevada	71	68	66	67	69	71	66	58	50	55	57	61	63	67	69	69	69	69	69	70	87	105	105	105	100
New Hampshire	95	91	90	91	93	89	83	79	71	75	73	83	84	83	81	82	82	83	83	84	90	100	101	102	100
New Jersey	115	113	111	113	111	102	98	95	87	37	93	98	94	91	88	88	89	89	90	92	96	103	102	102	100
New Mexico	80	77	83	80	83	72	68	63	56	64	69	73	73	74	75	74	74	73	73	73	90	107	105	105	100
New York	87	85	83	85	82	78	74	72	64	69	73	74	76	76	78	79	80	81	82	88	92	104	104	104	100
North Carolina	125	122	116	119	106	93	80	69	54	62	73	62	63	65	65	68	70	73	77	90	106	141	120	109	100
North Dakota	70	68	66	66	61	58	55	52	47	48	50	53	60	62	65	68	69	69	72	80	93	103	100	102	100
Ohio	72	71	70	66	63	60	54	53	45	53	57	58	60	65	68	72	74	76	79	87	101	120	113	108	100
Oklahoma	93	91	89	96	87	80	70	65	55	57	65	68	73	69	70	71	72	72	72	79	97	120	109	106	100
Oregon	79	77	75	78	77	74	69	65	59	59	63	67	68	70	72	73	73	73	72	73	88	107	107	104	100
Pennsylvania	88	86	84	86	82	75	72	69	61	66	72	73	74	75	75	77	77	78	80	85	90	110	110	109	100
Rhode Island	119	118	119	117	112	106	101	97	92	92	94	96	94	93	92	89	89	89	89	89	95	101	101	101	100
South Carolina	77	80	77	83	80	73	64	48	34	42	62	61	57	56	61	69	71	71	75	87	107	137	113	103	100
South Dakota	57	54	53	54	51	47	44	38	30	32	38	44	47	48	51	57	57	58	59	66	82	100	100	102	100
Tennessee	101	97	93	97	88	80	67	58	48	57	63	61	66	71	72	75	76	78	79	85	101	123	115	106	100
Texas	99	94	90	91	91	82	71	67	54	60	71	73	69	64	64	67	68	68	68	77	98	113	107	103	100
Utah	87	85	89	89	84	74	71	60	52	64	65	65	66	67	67	68	69	69	69	71	89	105	104	104	100
Vermont	100	100	103	97	88	80	76	74	67	67	70	75	78	81	80	81	82	82	82	83	90	100	101	100	100
Virginia	106	103	100	106	88	82	73	62	55	57	66	61	64	67	70	75	75	76	77	88	104	117	113	108	100
Washington	82	80	78	80	78	71	68	66	57	61	65	68	70	71	71	72	73	73	73	74	88	108	110	105	100
West Virginia	85	82	80	81	79	73	67	61	53	58	66	65	66	68	71	75	75	76	78	84	101	111	105	105	100
Wisconsin	87	84	82	81	72	68	63	59	49	50	55	57	60	65	67	69	70	71	72	81	92	105	105	102	100
Wyoming	67	63	65	63	69	67	54	44	37	45	49	54	58	65	68	69	68	68	66	68	84	105	105	105	100
United States	85	82	79	79	76	70	64	59	48	52	59	61	63	65	66	69	70	71	71	77	92	112	108	104	100

AVERAGE ADVERTISED SINGLE FAMILY DWELLING RENTS 1935-1936

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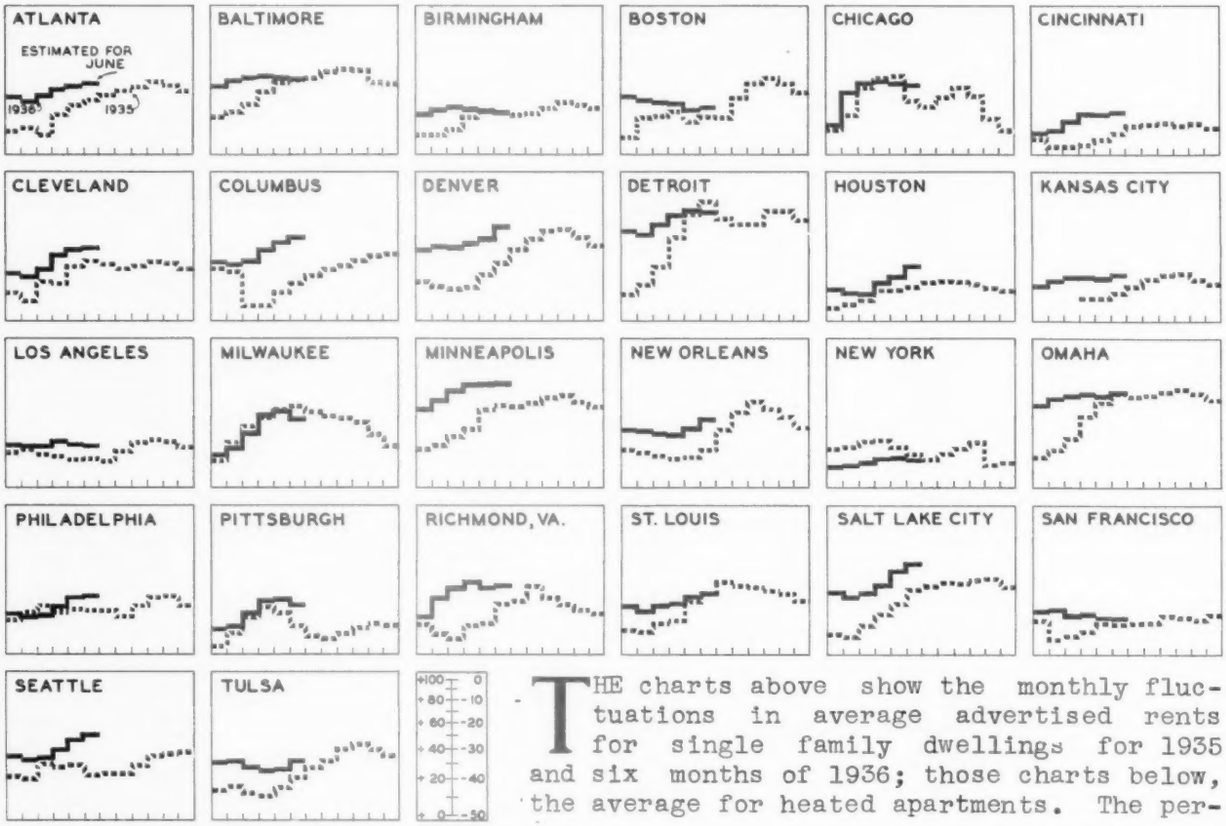

THE charts above show the monthly fluctuations in average advertised rents for single family dwellings for 1935 and six months of 1936; those charts below, the average for heated apartments. The per-

AVERAGE ADVERTISED APARTMENT RENTS 1935-36

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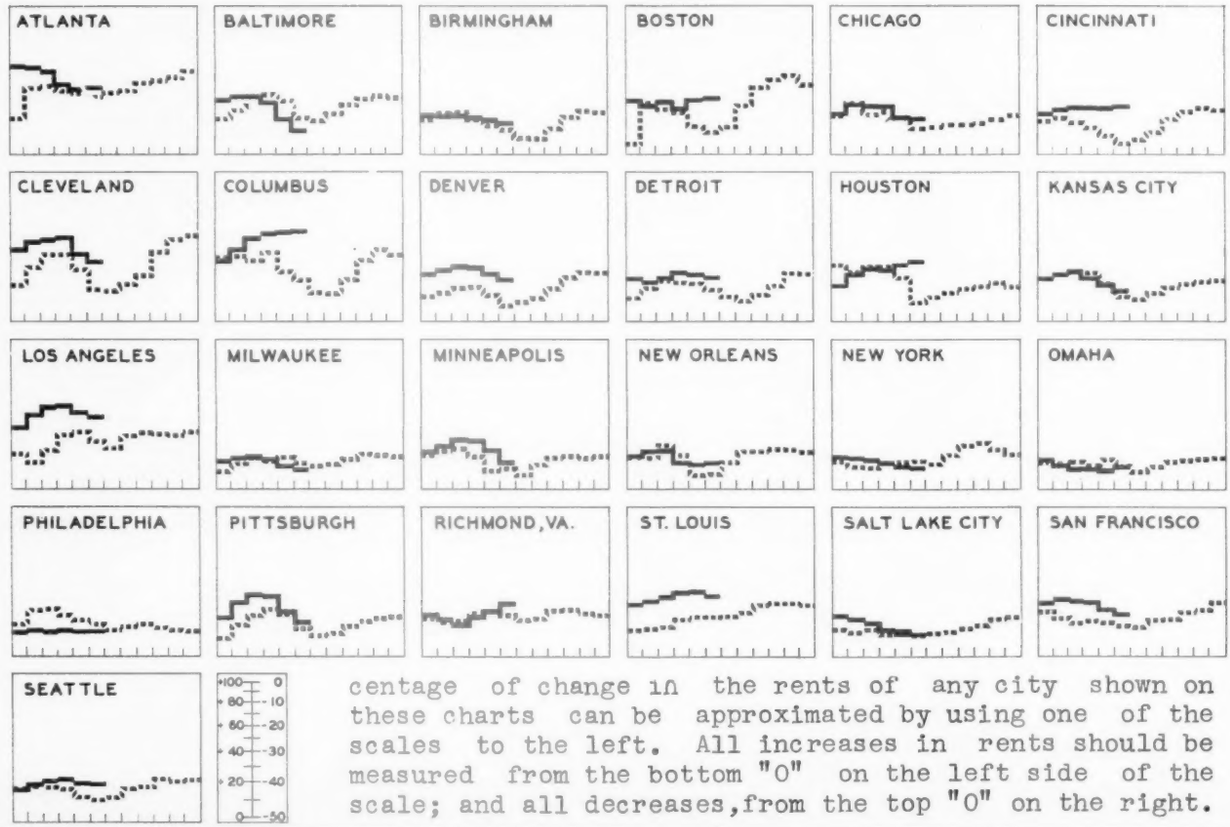


centage of change in the rents of any city shown on these charts can be approximated by using one of the scales to the left. All increases in rents should be measured from the bottom "0" on the left side of the scale; and all decreases, from the top "0" on the right.

ADVERTISED RENTALS ON DWELLING UNITS

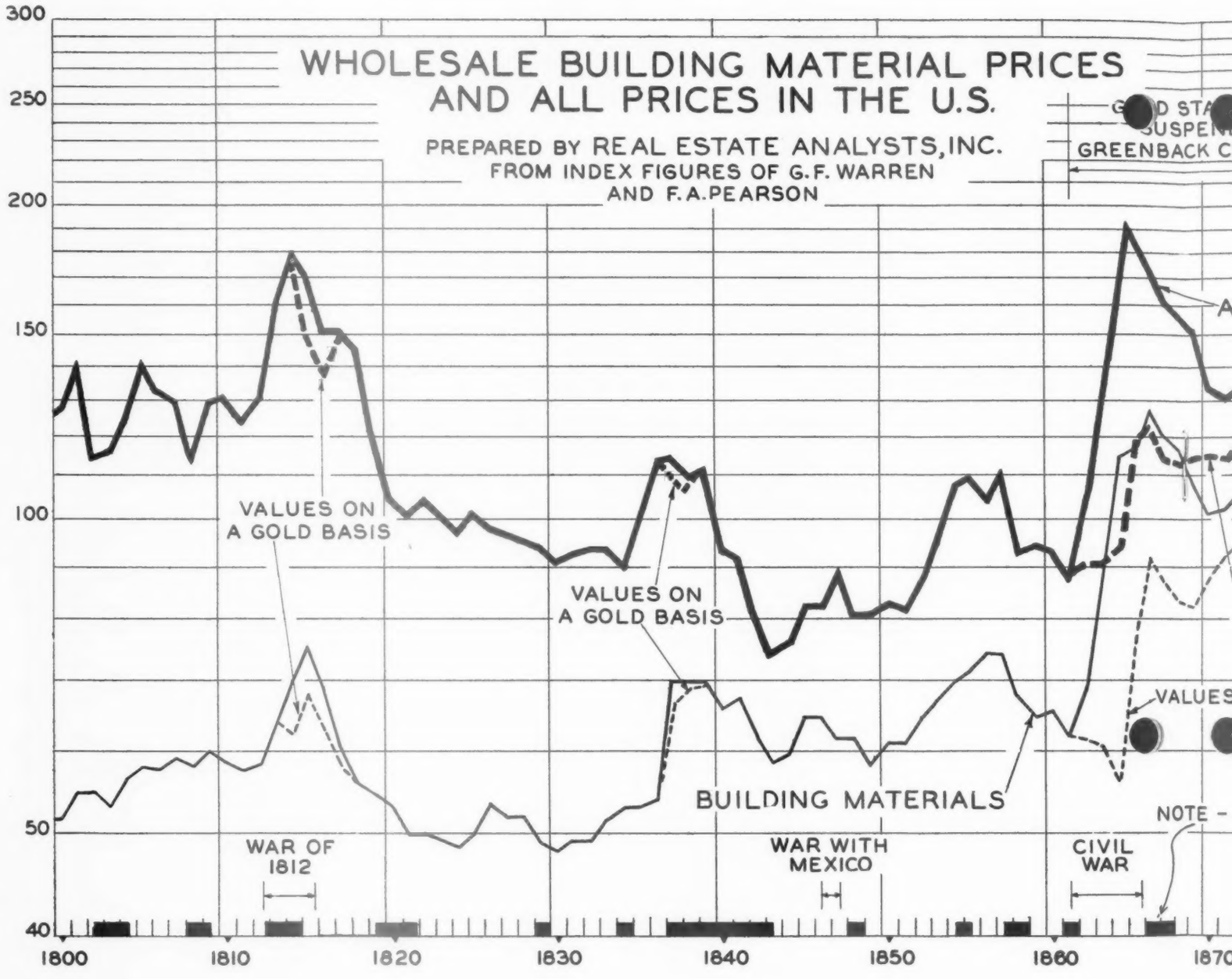
THE Real Estate Analyst computes the average advertised rents of residential units of various types each month in the twenty-six metropolitan cities listed below. The figures given are average rents per month per room for all units of each type, large and small, advertised in the classified columns of the leading newspapers of each city.

The average of all places advertised for rent will vary considerably from month to month due to the inclusion some months of a larger number of either high or low priced units. That the trend is definitely up in most cities is indicated by the figures below and the charts opposite.

The June figures are preliminary, based on the advertisements appearing during the first two weeks of the month. In a majority of the cities these preliminary figures are above the final figures for June, 1935.

		1935							1936					
		June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	*June
SINGLE FAMILY DWELLINGS	Atlanta	$6.62	$6.78	$6.93	$7.09	$7.25	$7.12	$6.93	$6.68	$6.59	$6.71	$6.97	$7.15	$7.27
	Baltimore	5.86	5.88	6.10	6.16	6.15	5.79	5.75	5.69	5.82	5.95	5.97	5.89	5.83
	Birmingham	4.96	4.90	4.94	5.06	5.22	5.15	5.08	4.96	5.03	5.06	5.03	4.87	4.88
	Boston	6.69	6.68	7.34	7.91	8.11	7.89	7.55	7.47	7.27	7.17	7.15	6.93	7.01
	Chicago	9.21	8.94	9.39	9.84	9.45	8.42	7.98	8.63	9.66	10.32	10.37	10.11	10.05
	Cincinnati	7.83	8.14	8.20	8.22	8.16	8.23	8.02	7.92	7.96	8.35	8.68	8.65	8.74
	Cleveland	8.18	8.02	7.88	7.94	8.11	8.08	7.84	7.59	7.56	7.88	8.40	8.67	8.75
	Columbus	4.88	5.07	5.21	5.31	5.45	5.59	5.61	5.42	5.36	5.44	5.71	5.95	6.11
	Denver	5.39	5.75	6.07	6.31	6.35	6.11	5.89	5.77	5.84	5.82	5.96	6.17	6.45
	Detroit	9.13	8.40	8.18	8.18	8.75	8.75	8.33	7.93	7.74	8.12	8.56	8.79	8.63
	Houston	7.18	7.32	7.39	7.38	7.24	7.10	7.01	7.00	6.92	6.84	7.20	7.47	7.84
	Kansas City	4.64	4.79	4.98	5.08	5.10	4.96	4.85	4.84	4.92	5.00	5.00	4.99	5.08
	Los Angeles	8.13	8.02	8.48	8.85	8.97	8.87	8.64	8.68	8.72	8.74	8.95	8.80	8.77
	Milwaukee	9.08	8.81	8.61	8.52	8.36	7.87	7.41	7.17	7.35	7.90	8.59	8.71	8.41
	Minneapolis	6.08	6.06	6.15	6.31	6.36	6.18	6.02	6.04	6.22	6.49	6.69	6.67	6.69
	New Orleans	4.85	5.39	5.88	6.20	5.98	5.71	5.43	5.41	5.36	5.28	5.25	5.38	5.61
	New York	11.98	11.59	11.96	12.23	12.57	11.82	11.36	10.93	11.11	11.40	11.69	11.71	11.67
	Omaha	6.43	6.35	6.37	6.50	6.59	6.45	6.22	6.14	6.27	6.34	6.38	6.36	6.45
	Philadelphia	5.63	5.63	5.48	5.77	6.01	6.02	5.78	5.46	5.46	5.52	5.79	6.01	6.04
	Pittsburgh	6.99	6.62	6.52	6.70	6.89	7.03	6.98	6.81	6.98	7.41	7.84	7.89	7.64
	Richmond	6.45	6.66	7.03	6.66	6.44	6.24	6.16	6.17	6.65	6.98	7.18	6.96	7.05
	Saint Louis	6.82	7.24	7.11	7.05	6.91	6.81	6.59	6.45	6.27	6.43	6.48	6.72	6.81
	Salt Lake City	5.56	5.66	5.76	5.74	5.82	5.83	5.63	5.49	5.33	5.49	5.58	5.91	6.14
	San Francisco	7.03	7.06	7.07	7.31	7.28	7.19	7.35	7.55	7.54	7.36	7.36	7.24	7.21
	Seattle	5.05	5.07	5.07	5.31	5.56	5.62	5.65	5.55	5.45	5.51	5.70	5.96	6.11
	Tulsa	6.21	6.53	6.76	7.17	7.33	7.16	6.92	6.77	6.74	6.56	6.42	6.48	6.79
HEATED APARTMENT UNITS	Atlanta	9.38	9.58	9.68	10.01	10.19	10.33	10.67	10.89	10.91	10.42	10.00	9.71	9.75
	Baltimore	10.88	10.72	11.04	11.59	11.97	12.04	12.00	11.93	12.05	12.02	11.65	10.74	10.13
	Birmingham	7.93	7.63	7.61	8.00	8.48	8.71	8.64	8.61	8.54	8.57	8.45	8.39	8.21
	Boston	10.12	10.40	11.59	12.68	13.17	13.46	12.79	12.17	11.55	11.68	11.13	11.59	11.70
	Chicago	10.88	10.92	11.04	11.04	11.15	11.35	11.66	11.85	12.26	12.14	11.86	11.25	11.17
	Cincinnati	9.57	9.72	10.10	10.78	11.24	11.40	11.28	11.26	11.36	11.47	11.45	11.40	11.45
	Cleveland	8.26	8.22	8.49	8.88	9.99	10.54	10.80	10.40	10.49	10.77	10.82	9.97	9.57
	Columbus	8.06	7.56	7.52	8.06	8.89	9.34	9.11	9.07	9.38	9.94	10.16	10.20	10.22
	Denver	9.24	9.40	9.60	10.06	10.65	10.95	10.90	10.87	11.02	11.24	11.16	10.76	10.46
	Detroit	10.00	9.65	9.45	9.73	10.22	10.87	10.86	10.49	10.40	10.70	10.93	10.79	10.61
	Houston	7.20	7.39	7.54	7.70	7.77	7.91	7.78	8.00	8.29	8.59	8.53	8.70	8.86
	Kansas City	6.24	6.18	6.36	6.52	6.67	6.73	6.77	6.88	7.00	7.11	6.86	6.61	6.43
	Los Angeles	10.85	10.43	11.11	11.27	11.23	11.17	11.31	11.87	12.31	12.79	12.82	12.33	12.08
	Milwaukee	9.70	9.56	9.63	9.87	10.10	10.09	10.00	9.88	9.95	10.02	9.95	9.64	9.36
	Minneapolis	8.31	8.06	8.48	8.78	8.81	8.76	8.82	9.18	9.29	9.59	9.57	9.13	8.66
	New Orleans	7.54	8.01	8.48	8.48	8.55	8.53	8.45	8.41	8.49	8.53	8.01	8.04	8.08
	New York	17.24	17.10	17.85	18.69	18.92	18.30	17.83	17.58	17.56	17.40	17.20	16.97	16.83
	Omaha	10.17	9.87	10.13	10.32	10.40	10.43	10.47	10.54	10.21	10.00	9.73	9.90	10.08
	Philadelphia	13.55	13.24	13.40	13.63	13.37	13.24	13.16	13.20	13.23	13.08	13.23	13.08	13.09
	Pittsburgh	9.24	8.91	9.02	9.35	9.56	9.70	9.77	9.91	10.51	10.96	10.82	9.93	9.48
	Richmond	9.89	9.62	9.66	10.03	10.07	9.96	9.87	9.70	9.69	9.41	9.75	10.01	10.49
	Saint Louis	9.19	9.22	9.41	9.76	9.81	9.81	9.74	9.79	9.94	10.17	10.37	10.38	10.16
	Salt Lake City	8.92	9.01	9.06	9.22	9.38	9.68	9.74	9.91	9.70	9.50	9.16	8.98	8.98
	San Francisco	10.52	10.50	10.82	10.90	11.33	11.41	11.82	11.83	12.01	11.93	11.83	11.41	11.15
	Seattle	9.51	9.65	10.06	10.21	10.58	10.48	10.52	10.23	10.37	10.53	10.60	10.50	10.47

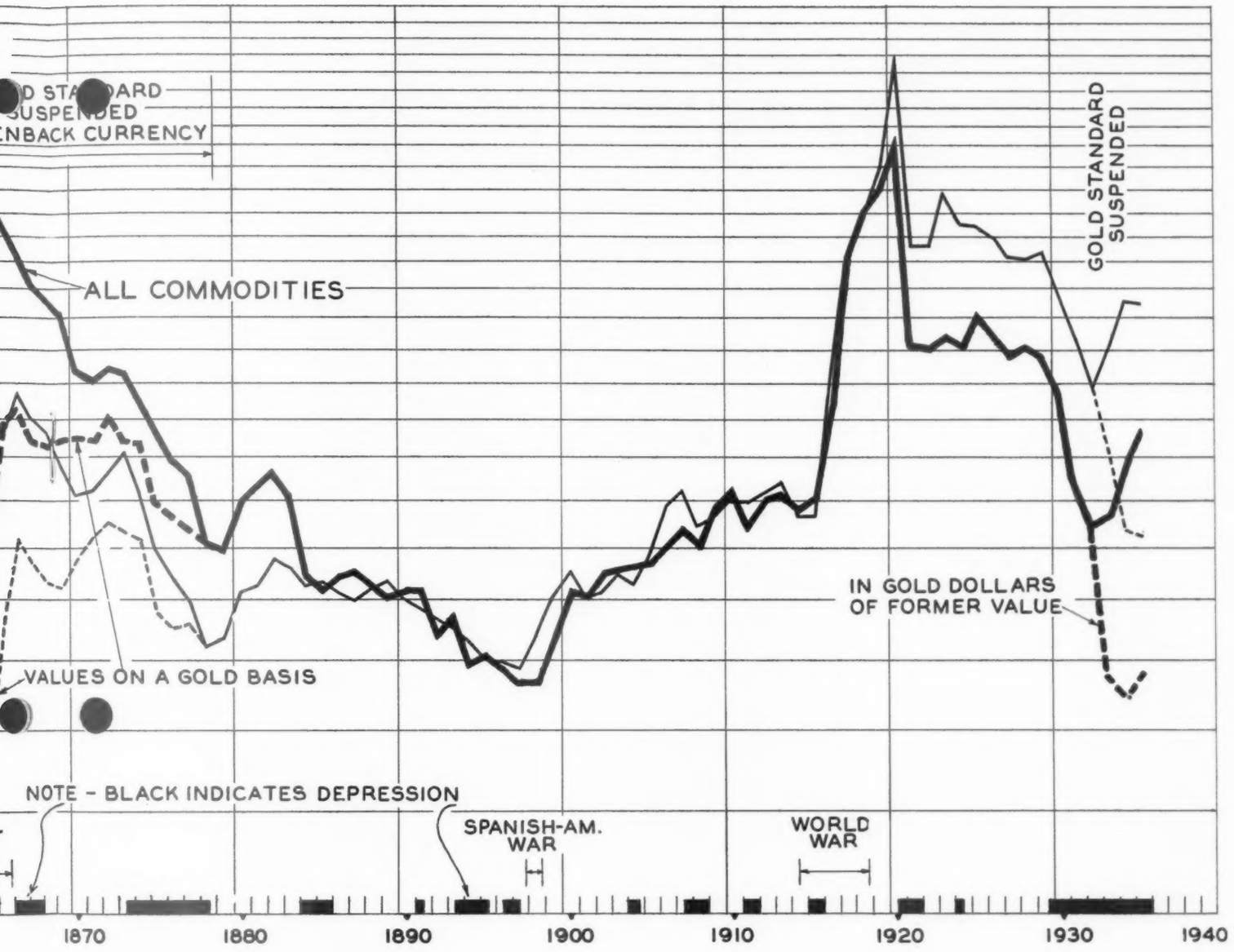
*Preliminary



(continued from page 562)

in the future may be expected in the increased profit the builder will demand for his work. The building which is being done today is on a very highly competitive market and the profit to the builder and sub-contractors is almost negligible. This is always true in a buyer's market; but as new building gradually increases in volume it will reach the point where the experienced operators have a fairly large volume of business, and are able to command and secure a far larger percentage of profit. The profits on buildings will triple during the next five years.

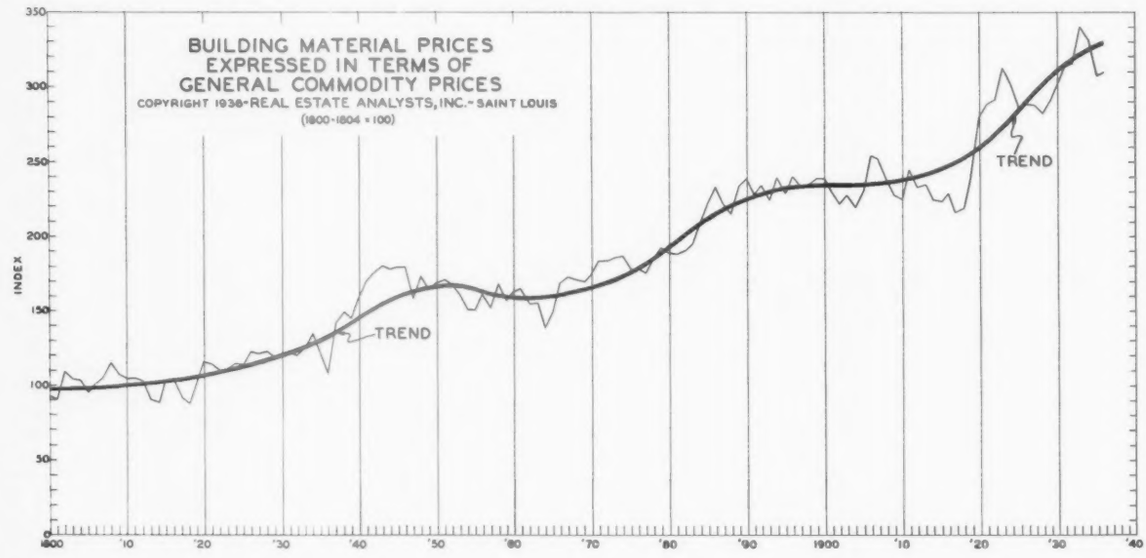
There may be some question on the future of financing costs, but we are inclined to believe that money will not be as cheap four or five years from now as it is at the present time. There has been very little demand for commercial loans on the part of solvent business concerns during the past few years. The monetary policies of the Administration have caused tremendous cash reserves to be built up in our banks and financial



institutions. As commerce and industry again come back into the borrowing field, these excess reserves will find profitable employment, reducing the present pressure for low interest rates. As we get back into a speculative building period, as we will, interest rates and discounts will increase.

Will pre-fabrication of buildings change these trends? We believe that they will, but we believe that factory made houses are coming in too slowly to be of major interest during the next building boom. We are positive, however, that the newer type house will be the major factor in the building boom which will follow the one which is now in prospect. As these building booms, however, occur at intervals of from fifteen to twenty years, there is no immediate cause for rejoicing or alarm in the change in price levels in the relatively near future.

Let us summarize our present conclusions regarding the outlook for building costs. We believe that over a period of years building



costs will rise because:

(1) An upward trend has been discernible for at least one hundred and thirty-six years;

(2) Increases in the general price level have always brought increases in building material costs, and we believe it is logical to expect increases in the general price level during the next few years;

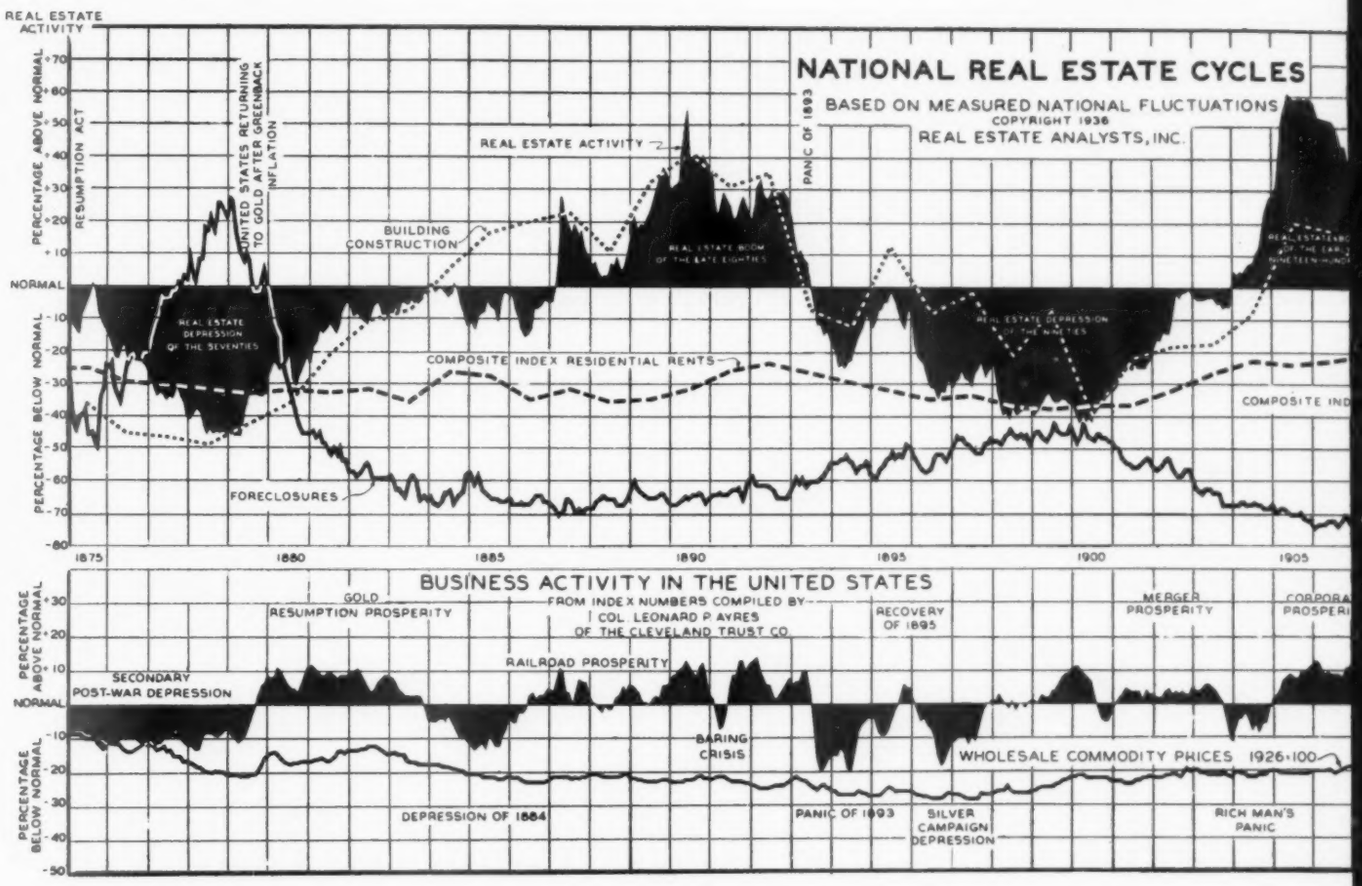
(3) Most of the increase thus far in building material prices is due to the devaluation of the dollar, leaving the rise from an increase in demand still ahead of us;

(4) We believe that contractors and sub-contractors will successfully demand larger profits as volume gets under way;

(5) We believe that financing costs are now at a minimum, with a very strong chance of an increase as industrial activity reduces excess bank reserves;

(6) The pre-fabricated house is coming in too slowly to seriously affect price levels during the period ahead.

Our advice, therefore, would be to build at the present time if the building contemplated can be put to immediate use. If, however, the saving in building cost because of present market conditions would be offset by an excessive vacancy during the early life of the building, it is probably far wiser to wait until the demand passes the present supply of space, building at a higher cost level for higher rents and values. This is certainly true of office buildings in almost all cities, of apartment buildings in most cities; but it is no longer true of single family residences or duplexes except in a very few communities where recovery is lagging.

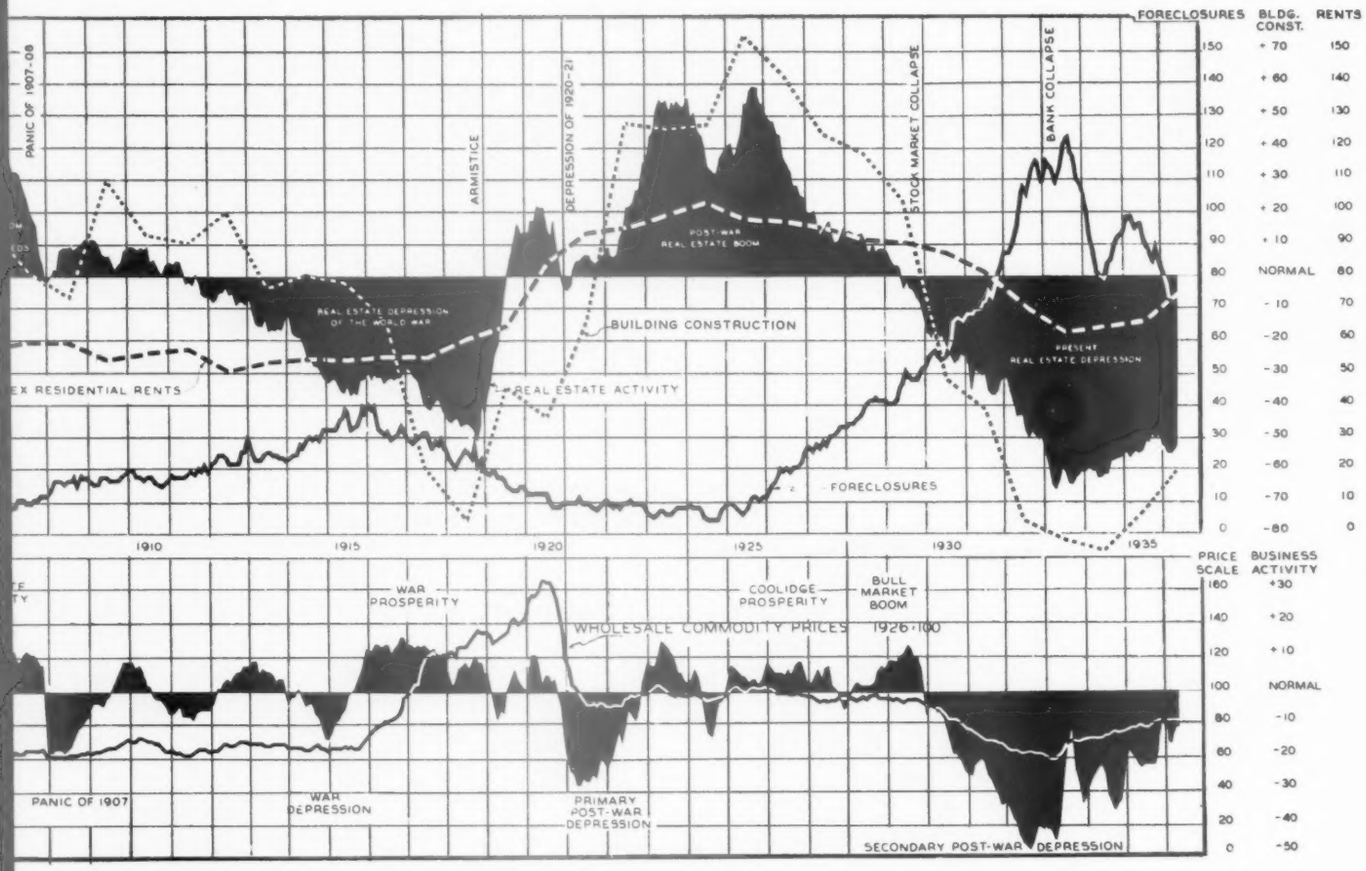


NATIONAL REAL ESTATE CYCLES

THE chart above shows our preliminary charting of the national real estate cycle from 1875 to the present in contrast with the general business cycle. It will be noticed that this chart shows foreclosures, rents, and volume of new building. These lines, too, are preliminary, as none of them is based on as many cities as we hope shortly to include. We believe that this chart visualizes the cyclical characteristics of real estate in a rather striking fashion as well as the unusual length of the cycle. Business swings quickly; real estate swings slowly.

REAL ESTATE ACTIVITY — The black areas showing the real estate booms and depressions are based on the number of voluntary transfers of real estate in relation to the number of family units in the cities included in the tabulation. We have found that the relationship of the number of voluntary transfers to the number of families forms a better index of the changes in the mass opinion of real estate, which in the last analysis cause real estate booms and depressions, than any other index we have yet been able to construct. These booms and depressions are charted as percentages above or below normal.

FORECLOSURES — The number of foreclosures shown on the chart is corrected for population growth and is charted from the base line at the bottom of the chart. When our final foreclosure



line appears, it may show some variation from this line as our foreclosure data, particularly in early years, are still far from complete.

RESIDENTIAL RENT — The rent line is based on all data we have been able to secure from a great many cities. The period from 1890 to 1905 includes fewer cities than any other part of the line and will probably be most affected by subsequent additions. The greenback inflation period and the credit inflation period are thought to be quite accurate. This rent index is charted from the base line.

BUILDING CONSTRUCTION — The building construction line is based on a study of new building made by the Division of Housing of the Bureau of Standards a number of years ago. The original material has been refigured and brought up to date. This line includes all types of building construction and is based on dollar figures corrected for the changes in construction costs. This correction, for all practical purposes, changes the index from a "value of construction" index to a "volume of construction" one. It is charted, as is real estate activity, as percentages above and below the normal line. It is quite different from our index by regions on page 571, which includes only building resulting in new family accommodations.

While we believe that, as our compilations become more complete, we will be able to give an accuracy in detail that this chart does not yet possess; we are confident that this picture of the major swings will be altered but little by future recharting.

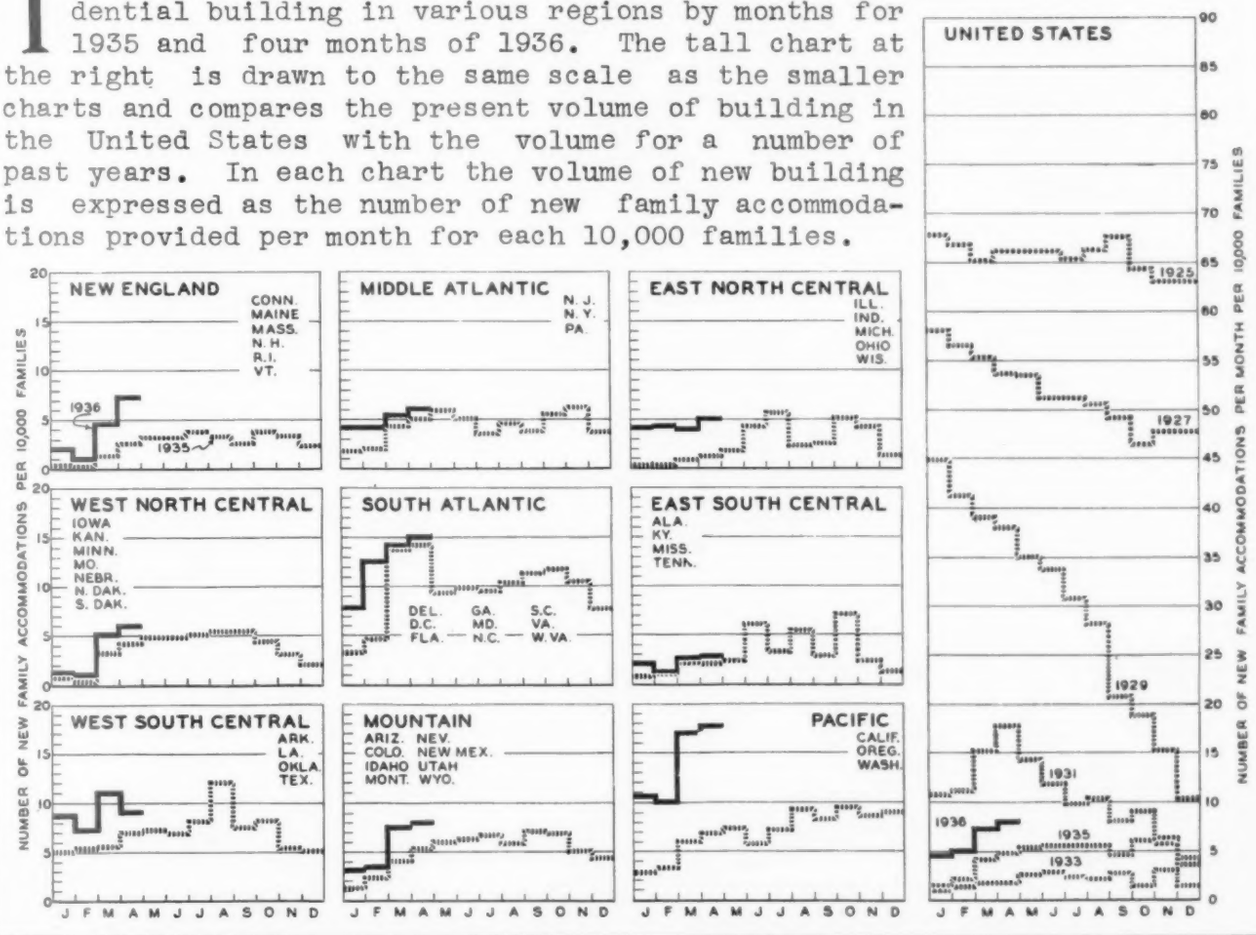
THE HOLC AND MORTGAGE DEBT

THE Home Owners' Loan Corporation has finished its lending program. On May 28 its statement showed that it had made loans totaling $3,081,893,559 on 1,016,142 homes. There were only 10,503,386 owned non-farm homes in the United States in 1930 according to the 1930 Federal Census. We believe that this number has not increased during the past six years; in fact, foreclosures and demolitions have probably decreased it by a larger amount than new building has increased it. It is, therefore, probable that the HOLC has a loan on one out of every ten or eleven non-farm homes in the United States.

The Division of Research and Statistics of the Federal Home Loan Bank Board prepared estimates of urban home mortgage debt in the United States as of December 31, 1934. These estimates were based on the financial survey of urban housing made by the government in 1934. At that time the HOLC loans amounted to $2,200,000,000 or 12.4% of the estimated total of all urban home mortgage debt of $17,740,000,000. The additional HOLC loans, in the greater percentage of cases, replaced other loans. We think it probable that at the present time the HOLC owns about one-sixth of this debt in the United States.

RESIDENTIAL BUILDING BY REGIONS

THE charts below show the monthly volume of residential building in various regions by months for 1935 and four months of 1936. The tall chart at the right is drawn to the same scale as the smaller charts and compares the present volume of building in the United States with the volume for a number of past years. In each chart the volume of new building is expressed as the number of new family accommodations provided per month for each 10,000 families.



REAL ESTATE TRANSFERS IN PRINCIPAL CITIES 1930-1936

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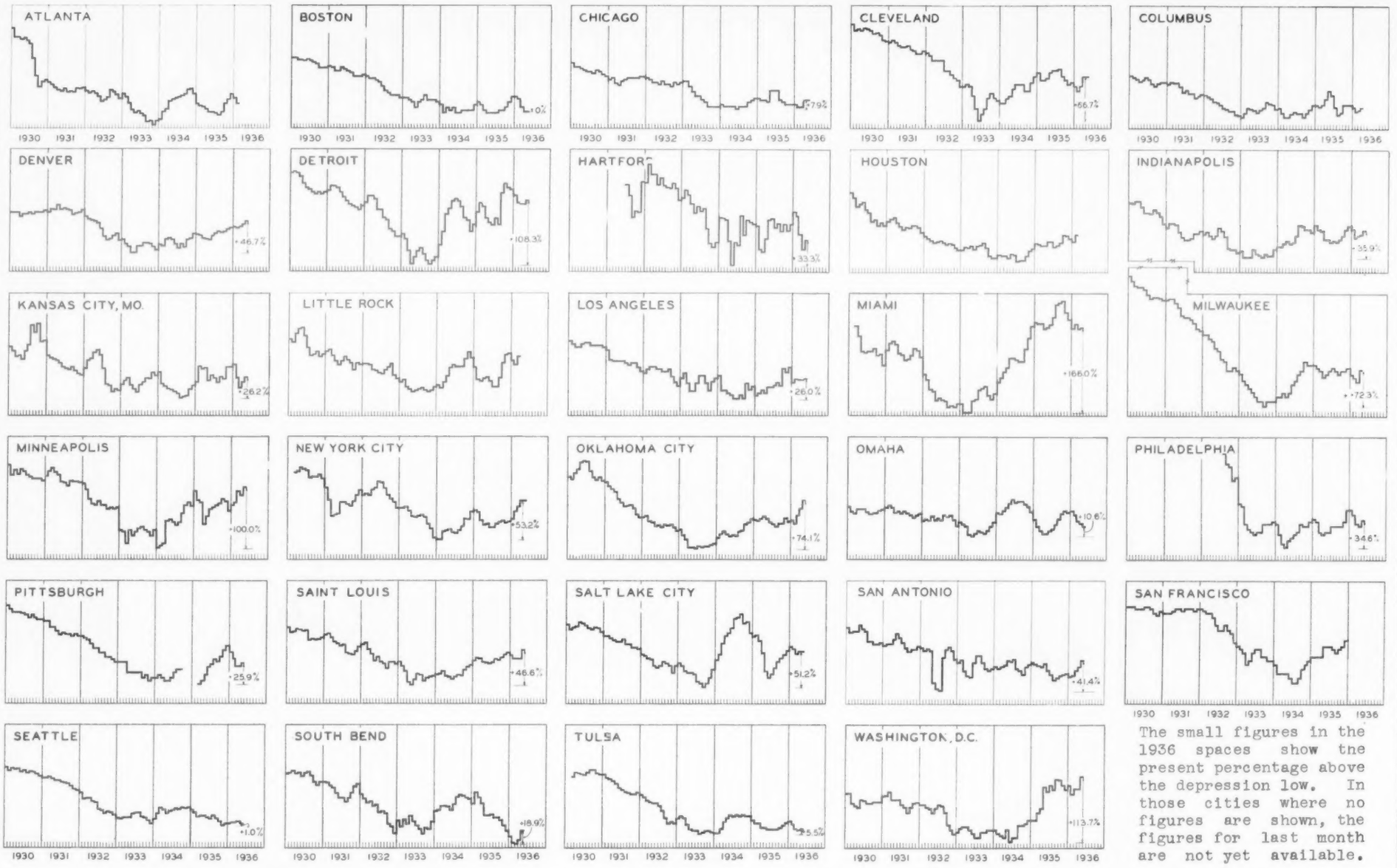
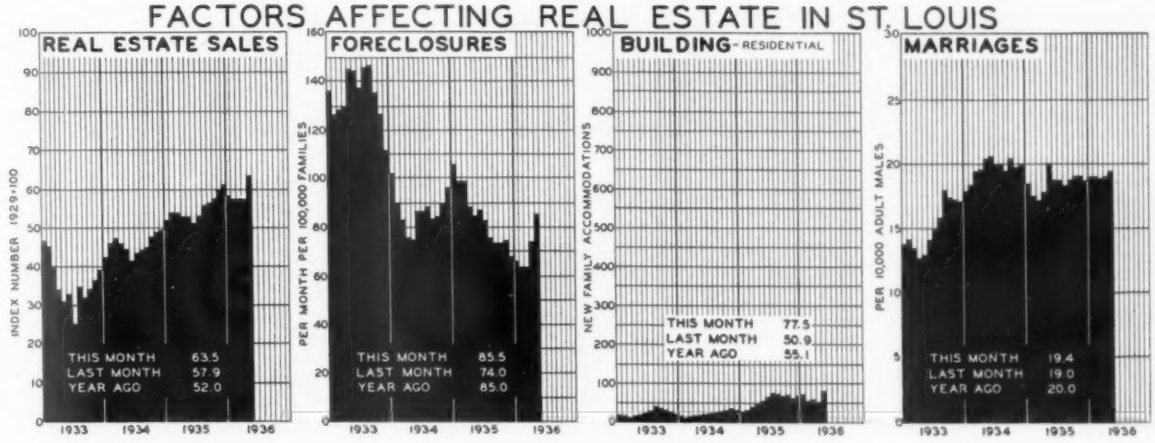


The small figures in the 1936 spaces show the present percentage above the depression low. In those cities where no figures are shown, the figures for last month are not yet available.

FACTORS AFFECTING REAL ESTATE IN ST. LOUIS



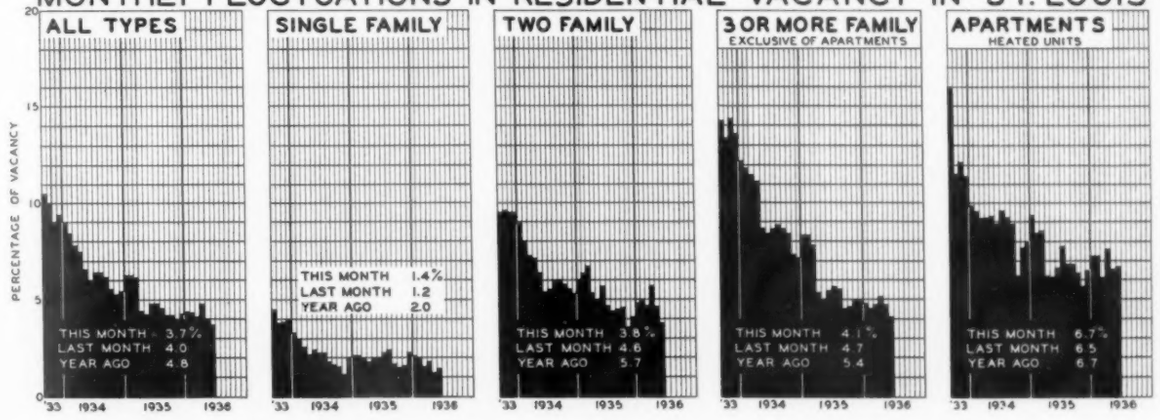
REAL Estate Analysts, Inc., has always made an intensive study of Greater Saint Louis on the assumption that an exhaustive, precise study over a long period of years of all factors affecting real estate in a single representative community is often of greater value in determining the sequence of events in collapse and recovery than is a more general study of the entire country. In addition to the charts on this page, other Saint Louis figures are shown on pages 564, 565, and 572.

Total residential vacancy in Saint Louis decreased during the past month by about 700 units--from 4.0% on May 5 to 3.7% on June 5. Two family units and three or more family units, exclusive of heated apartments, had sizable drops in vacancy.

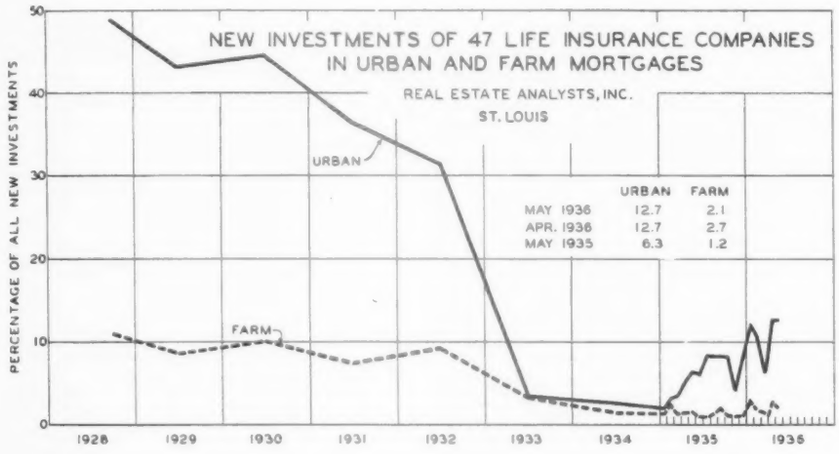
The number of vacant residential units for November, 1932, and for June of the last three years is shown in the following table:

Date	Number of Vacancies	Percentage of Vacancy
November, 1932	28,207	12.8
June, 1934	13,500	6.0
June, 1935	10,700	4.8
June, 1936	8,250	3.7

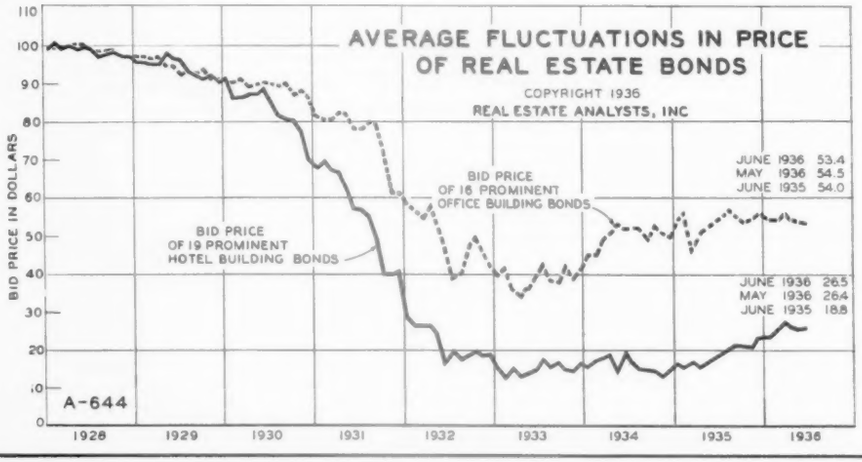
MONTHLY FLUCTUATIONS IN RESIDENTIAL VACANCY IN ST. LOUIS



THE chart to the left shows the monthly fluctuations in eight hundred and forty rural and urban communities scattered throughout the United States. Foreclosures are now 33.9% below the peak in 1932 and 27.7% below the 1935 peak. During the last three months there has been no decrease in foreclosures after seasonal correction, due, we believe, to increased activity on the part of the Home Owners' Loan Corporation on delinquent loans.



THE chart to the left shows the percentage of all new investments each month invested in urban and farm mortgages by forty-seven life insurance companies. Urban mortgages are slowly coming back into favor. There is no decided trend regarding farm mortgages.



THE chart to the left shows the fluctuations in the bid prices of real estate bonds. There has been a pronounced trend upward in hotel bonds during the past year and a half. Very little recent trend is noticeable in the office building bond line.